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Do Your Branches Turn Heads?

BCU shares lessons it learned from tapping a retail-merchandising expert to create more appealing locations.

BY AARON PUGH

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Retailers are famous for their complex merchandising formulas — those magic mixtures of hard science, emotional triggers, and sensory connections that encourage consumers to open their wallets.



The differences between for-profit retailers and credit unions are significant, but in the interest of moving products and services, the success of both hinges on two factors: attraction and engagement.

That's why in 2013, BCU (\$2B, Vernon Hills, IL) looked to a retail merchandising expert for advice on how its 38 branches could better compete against not only banking peers but also other businesses that attract potential members' attention.

"Over time, our focus for branch locations has shifted from simply providing physical access to using renovations and new construction to increase member engagement inside and outside the branch," says Jill Sammons, the credit union's director of communications and brand strategy.

A Unified Brand

BCU has never had the luxury of thinking like a typical community financial institution, partly because an overwhelming majority of its branch footprint consists of select employee group (SEG) locations — only some of which offer public access.

In 2011, the credit union merged with Target Credit Union and picked up sites that operate under a separate brand within those corporate facilities.

Although this combination of SEG sites and freestanding public locations has been a benefit for BCU — which boasted 14.8% annual loan growth and 8.6% membership growth at midyear according to Callahan & Associates — it also comes with additional hurdles in terms of brand development.

For example, BCU's Target locations — glossy, modern outposts that initially drew significant employee business — suffered declining activity within as little as one year of opening.

"For locations in a company's corporate headquarters, there are many other resources and messages competing for employees' attention," says Joline Epple, the director of marketing and brand liaison for these Target locations. "Sometimes it's tough for our messaging to get through."

In addition, the credit union faces the challenge of how to align its host company messaging while strengthening its own brand.

For a new perspective on possible solutions to those challenges, the credit union reached out to Judy Bell, a consultant who had worked as a group manager of creative merchandising solutions for Target before opening her own firm called Energetic Retail.

A Merchandising Mindset

Many of the merchandising best practices Bell frequently recommends to her retail clients are also a good fit for what BCU wanted to accomplish.

"You always want to look at your competitors, but that's not just banks; it's retailers too," Bell says of her approach with BCU. "Both have products and services to sell. Just because you work in

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financial services doesn't mean you can't take your inspiration from a top fashion retailer."

For example, shoppers in the retail world often base their spending decisions solely on store appearance. And the same is true for potential members, whether they are employees in the workplace, shoppers in a strip mall, or drivers passing by on the road.

"You only have three seconds to get the attention of someone walking by, and then you have to make an emotional connection and encourage them to take action," Bell says. "At BCU, the branches had too many messages and the displays were small, so we started narrowing those down and then called out the ones that remained in a big, visual way."

The credit union replaced in-branch marketing materials and signage that had focused on products and services with ones that emphasized people and lifestyles, including the idea of financial well-being. These images — along with the credit union's purpose statement — are also displayed on wall sized lightboxes at one of BCU's recently renovated locations.



Photo courtesy of BCU

"Not many retailers outline that information and tell people their story, but it helps visitors think of you as more than just a business selling them stuff," Bell says.

Similar images and taglines, such as those related to credit union's trademarked "Life. Money. You." financial education program even appear on the website and in email communications to create a common link between physical and electronic channels.

Tweaking The Formula

Of course, not every best practice implemented by BCU and Bell translated perfectly from the retail world.

For example, stores typically want to keep a visitor on-site for as long as possible to increase their likelihood of purchase. BCU had to balance that desire against the efficiency demands of a not-for-profit model.

One way it addressed this dichotomy was by creating different types of spaces within the branches, with streamlined traffic patterns for transactional areas and dedicated, cost-efficient outposts for involved interactions or relationship development.

The credit union also removed costly, quickly dated pamphlets and flyers and now prints collateral on demand with a high-resolution color printer. Whenever someone requests information or a conversation develops cross-sell potential, branch employees simply print a product sell sheet — created by the marketing team and updated monthly with current rates, promotions, and disclosures — that the member can review and take with them.

"It's more cost effective and a live conversation almost always triggers a better close rate than someone just grabbing a brochure and walking out," Sammons says.

In several of its remodeled locations, BCU also has dedicated learning spaces — similar to Apple's Genius Bar — where visitors can educate themselves about the credit union's offerings using its large digital touch screens and tablets.

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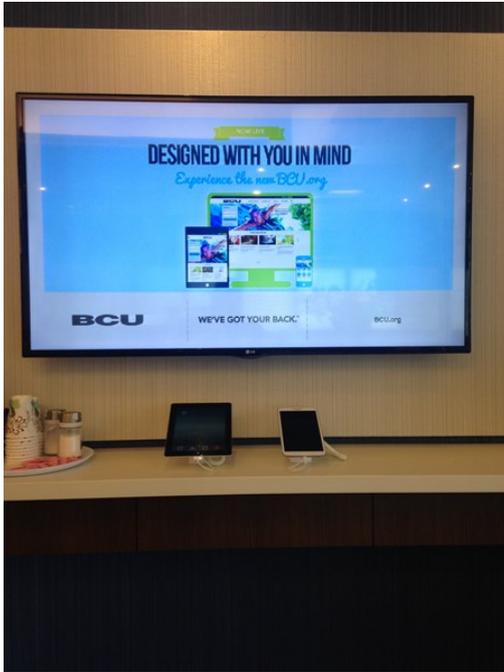


Photo courtesy of BCU

Of course, if the member does need help, branch employees are only steps away, which creates opportunities to onboard members into different electronic services.

A New Path Moving Forward

In the year since Bell's visit, her retail-driven advice has continued to inform best practices at SEG locations and freestanding branches alike, resulting in half a dozen redesigned locations and another seven set to be redesigned or opened in the next 16 months.

These merchandising-related improvements do represent a significant financial investment for BCU, yet much of this spending was already budgeted for as a part of the normal upkeep of these locations.

"We aren't initiating renovations just to add these features, but as branches come up for remodel, these are the types of strategies we will be using," Sammons says.

In terms of Net Promoter Score, a metric that gauges members' likelihood to refer the institution to others and one of BCU's most important metrics for measuring brand success — renovated locations, especially those in Target buildings, always score significantly higher than their historical norms.

HARNESS THE 5 SENSES TO SUPERCHARGE THE BRANCH EXPERIENCE

Retailers use sight, sound, smell, taste, and touch to their advantage every day. Here's how you can do the same.

Sight

Most people look left as they enter a location but turn right, according to [Entrepreneur Magazine](#). Use that natural orientation when placing screens, marketing banners, or other collateral. And angled passageways and circular or U-shaped spaces and displays are more inviting than a straight row.

Sound

According to the [European Journal of Scientific Research](#), low volume music keeps customers around longer. However, slightly loud music moves people through stores faster without decreasing the amount spent. This indicates slightly higher volumes might be better for transaction-oriented environments like the drive through.

Smell

A 2005 study from the American Psychological Association showed how a citrus scent decreased purchase amounts among impulse buyers but increased activity among contemplative shoppers who had an interest in a specific purchase.

"If you are selling high-risk items like cars, you may want to use scent rather than music," said Maureen Morrin, the project's head researcher, when speaking at an APA convention.

Taste

According to *Science Daily*, hunger changes [the way our brains calculate risk](#), meaning hungry people might not be in the best position to make good decisions.

To solve this issue, consider following the example of IntergrUS Credit Union (\$19.7M, Dubuque, IA), which opened a café in its newest branch that serves fresh coffee, snacks, and breakfast items.

Taste

Color choice, materials, and even the sturdiness of objects can alter people's perceptions of brand quality, so pay attention to the little things like your pens, your chairs, and your member-facing branch technology.

According to [Martin Lindstrom](#), the author of *Buyology: Truth and Lies About Why We Buy*, testers who used an artificially weighted remote control thought the product was more usable, of higher quality, and worth paying more for than the same model without the heft.

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